

**Representative Don L. Ipson** proposes the following substitute bill:

**WATER INFRASTRUCTURE FUNDING**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: J. Stuart Adams**

House Sponsor: Don L. Ipson

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**LONG TITLE**

**General Description:**

This bill creates the Water Infrastructure Fund.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates the Water Infrastructure Fund;
- ▶ describes uses of money in the Water Infrastructure Fund;
- ▶ requires the Division of Water Resources and the Board of Water Resources to make rules; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2016:

- ▶ to the Water Infrastructure Fund, as a one-time appropriation from the General Fund, \$5,000,000.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:



- 26 [73-10g-101](#), Utah Code Annotated 1953
- 27 [73-10g-102](#), Utah Code Annotated 1953
- 28 [73-10g-103](#), Utah Code Annotated 1953
- 29 [73-10g-104](#), Utah Code Annotated 1953
- 30 [73-10g-105](#), Utah Code Annotated 1953
- 31 [73-10g-106](#), Utah Code Annotated 1953



33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section [73-10g-101](#) is enacted to read:

35 **CHAPTER 10g. WATER INFRASTRUCTURE**

36 **Part 1. Funding**

37 **73-10g-101. Title.**

38 (1) This chapter is known as "Water Infrastructure."

39 (2) This part is known as "Funding."

40 Section 2. Section [73-10g-102](#) is enacted to read:

41 **73-10g-102. Definitions.**

42 As used in this chapter:

43 (1) "Board" means the Board of Water Resources;

44 (2) "Division" means the Division of Water Resources; and

45 (3) "Fund" means the Water Infrastructure Fund created in Section [73-10g-103](#).

46 Section 3. Section [73-10g-103](#) is enacted to read:

47 **73-10g-103. Creation of the Water Infrastructure Fund.**

48 (1) (a) There is created a special revenue fund known as the "Water Infrastructure  
49 Fund."

50 (b) The fund shall earn interest.

51 (2) The fund consists of money generated from the following sources:

52 (a) voluntary contributions made to the division for the construction, operation, or  
53 maintenance of state water projects;

54 (b) appropriations made to the fund by the Legislature;

55 (c) debt service payments of principal and interest from bonds issued by the state for  
56 the development of the waters of the Bear and Colorado Rivers, pursuant to Title 73, Chapter

57 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act; and  
58 (d) interest earned on the fund.

59 (3) The division and the board shall manage the fund created in Subsection (1) in  
60 accordance with this chapter.

61 Section 4. Section **73-10g-104** is enacted to read:

62 **73-10g-104. Authorized use of the Water Infrastructure Fund.**

63 (1) Money in the fund is to be used for:

64 (a) the development of the state's undeveloped share of the Bear and Colorado Rivers,  
65 pursuant to existing interstate compacts governing both rivers as described in Title 73, Chapter  
66 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act; and

67 (b) repair, replacement, or improvement of federal water projects for local sponsors in  
68 the state of Utah when federal funds are not available.

69 (2) Water development, as described in Subsection (1)(a), and repair, replacement, or  
70 improvement as described in Subsection (1)(b), shall be funded from the Water Infrastructure  
71 Fund as follows:

72 (a) cash payment from state appropriations, including reserves in the fund and interest  
73 earned by the fund;

74 (b) the issuance of bonds in the event that cash reserves are not sufficient to finance  
75 water development, repair, and replacement described in Subsection (1); and

76 (c) subject to Subsection (3), the repayment of debt service, as required by Title 73,  
77 Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development  
78 Act.

79 (3) Debt service for a bond issued as provided in this section shall be made first from  
80 continuing state appropriations and then from the repayment of debt service from all loans  
81 from the fund.

82 Section 5. Section **73-10g-105** is enacted to read:

83 **73-10g-105. Loans -- Rulemaking.**

84 (1) The division and the board may make loans from the fund to repair, replace, or  
85 improve unfunded federal water infrastructure projects as described in this section.

86 (2) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah  
87 Administrative Rulemaking Act:

- 88 (a) specifying the amount of money that may be loaned from the fund;
- 89 (b) specifying the criteria the division and the board shall consider in prioritizing and
- 90 awarding loans;
- 91 (c) specifying the minimum qualifications for an individual who, or entity that,
- 92 receives a loan, including the amount of cost-sharing to be the responsibility of the individual
- 93 or entity applying for a loan;
- 94 (d) specifying the terms of the loan, including the terms of repayment; and
- 95 (e) requiring all applicants for a loan to apply on forms provided by the division and in
- 96 a manner required by the division.

97 Section 6. Section **73-10g-106** is enacted to read:

98 **73-10g-106. Requirement for repayment.**

99 (1) Any money from the fund utilized to construct water infrastructure to develop the

100 state's share of the Bear and Colorado Rivers are subject to the repayment provisions of Title

101 73, Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline

102 Development Act.

103 (2) Any money from the fund utilized for the repair, replacement, or improvement of

104 federal water infrastructure projects when federal funds are not available shall be repaid

105 pursuant to the terms and conditions established by the division and the board by rule under

106 Section [73-10g-105](#).

107 **Section 7. Appropriation.**

108 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for

109 the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following sums of money

110 are appropriated from resources not otherwise appropriated, or reduced from amounts

111 previously appropriated, out of the funds or accounts indicated. These sums of money are in

112 addition to any amounts previously appropriated for fiscal year 2016.

113	<u>To Water Infrastructure Fund</u>	
114	<u>From General Fund, One-time</u>	<u>\$5,000,000</u>
115	<u>Schedule of Programs:</u>	

116	<u>Water infrastructure projects</u>	<u>\$5,000,000</u>
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117 The Legislature intends that, under Section [63J-1-603](#), appropriations under this section

118 not lapse at the close of fiscal year 2016 and that the appropriation under this section be used as

119 described in Title 73, Chapter 10g, Water Infrastructure.